

January 2016

## **Legislative and Government Relations Report**

The New Year brings new challenges to our industry and, in my opinion, the greatest of these is communications reform and the internet. Virtually all of us are or will be moving to communication channels other than Plain Old Telephone Service (POTS).

Twenty-five years ago the alarm industry faced a threat posed by AT&T and the "Baby Bells" who wanted to offer alarm systems and monitoring services to the public. The industry was successful in defeating that effort.

Today we face a larger and perhaps more sinister Communications industry that is already competing for our business. Xfinity (Comcast), AT&T, Time-Warner and Cox Communications are the most prevalent. Verizon, as yet, has not gotten into the business but is a major provider of communication services.

The regulation of these giants rests with the Federal Communications Commission (FCC). This being the case, the Alarm Industry Communications Committee (AICC), formed twenty-six years ago, has brought the alarm industry's concerns about a level playing field to that agency. Further, members of the ESA's leadership team met with the FCC staff in December 2015 to reinforce our specific concerns.

We, as an industry, have two major and overriding concerns here. The first is that we be treated by Communications Technology providers just as they would treat their own divisions offering alarm services. This means that Comcast must provide the same level of quality and service to our industry as they do, or will, to Xfinity. To expand this a bit further, we must not be the victim of "throttling" (increasing or decreasing data packet flow) or other manipulations of information transfer. This has already taken place here and there. Contact ID signals over POTS are uniform in size and frequency. However, in the case of modem transfer, those same contact ID data packets degrade quickly during transmission such that the receiver cannot recognize the signal.

Secondly, we must assure that a provider such as AT&T or Verizon, both of whom own telephone companies, must not drop a service before they can provide a replacement of equal or better quality and reliability. Further, they must give the alarm industry sufficient and reasonable notice of the coming changes in service.

We are just beginning this effort and it will probably take two years or more to get it all worked out. As most of you know, I am a member of ESA's Government Relations Committee and will be deeply involved in this work. I will keep you posted.

I am also, along with others, involved with working on a "School Security Caucus" in the United States House of Representatives. I am proceeding on a bi-partisan basis to get as many of our

Minnesota Congressional Representatives on board. The purpose here is to generate positive response from the Congress to pressure the United States Department of Education to use funds already appropriated as grants to states for actual security equipment, rather than just "studies to determine what is needed." I'll have more on this later.

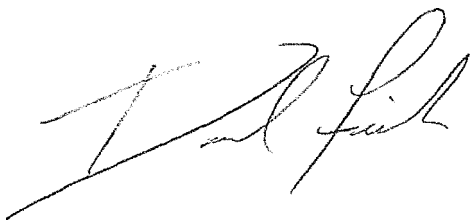
**Minnesota:**

This year the legislature will open its session on March 8 and run until May 23 - not a long time as sessions go.

My best estimate now is that the Department of Labor and Industry (DLI) may offer a "housekeeping bill" to clarify the number of days after which a new rule or code takes effect. Our major concern here is that the longer term of days (now 270) can negatively impact the implementation of the NEC or the building code. This, in turn, causes issues with training classes, inspections and the like. I discussed this with Assistant DLI Commissioner Jessica Loomen, at the recent Board of Electricity meeting, and she indicated that if they do not roll back the 270-day period, DLI will initiate a ruling that allows updated codes to become effective after the previous period of 180 days.

In addition, I am concerned that an effort will be made to prohibit outright, or severely curtail, the use of auto-renewal clauses in service contracts, particularly those with consumers. This was brought up late in last year's session but did not meet committee deadlines. We may have to accept some modification to our auto-renewal clauses. This is being driven, not by our contracts, but by the cellular phone companies, health and fitness clubs and other such businesses. I will be looking into this soon.

As always, contact me with questions at 612-619-7870 or [dpf01@comcast.net](mailto:dpf01@comcast.net)

A handwritten signature in black ink, appearing to read "David Fisch". The signature is fluid and cursive, with a large initial "D" and "F".

David Fisch  
MNESTA Government Relations Representative Legislative Chair